

Erroneous Data Appeal

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Erroneous Data Appeal

What is an erroneous data appeal?

An erroneous data appeal alleges that because of new data and/or disputed data included in the official cohort default rate calculation, a school's official cohort default rate is inaccurate. A school can only submit an erroneous data appeal based on new data when the new data is incorrect. Therefore, for the purposes of this chapter, any mentions of "new data" refer to "new incorrect data."

Timing is critical when submitting an erroneous data appeal. A school begin the process by sending its erroneous data appeal allegations to the data manager responsible for a loan within 15 calendar days of receiving the official default rate notification letter. Figure 4.5.1 shows the time frame for submitting an erroneous data appeal.

What is new data or disputed data?

New data occurs when the loan data reported to the National Student Loan Data System (NSLDS) is changed during the period between the calculation of the draft and official cohort default rates. New data can be identified by comparing the draft and official loan record detail reports for the same year and determining if any loan data is newly included, excluded, or changed in any manner. The school should then determine if the new data results in the loan data being reported incorrectly.

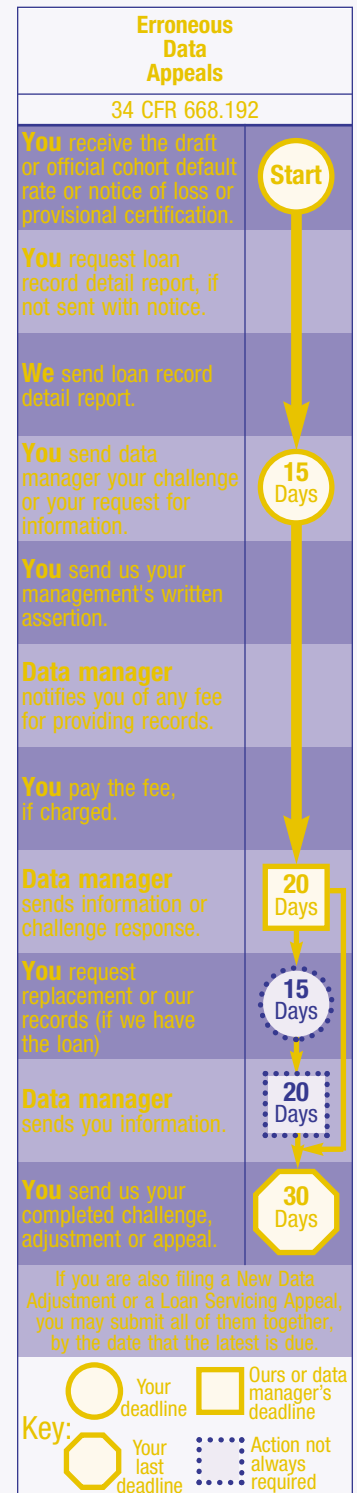
Disputed data occurs when

- ❖ a school submitted an incorrect data challenge,
- ❖ the data manager for the loan disagreed with the challenge,
- ❖ the school believed the data manager was incorrect, and
- ❖ the same alleged error occurred in the school's official cohort default rate calculation.

34 CFR 668.192

Figure 4.5.1

Time Frame for Submitting an Erroneous Data Appeal



Which schools are eligible to submit an erroneous data appeal?

In order to submit an erroneous data appeal, a school must meet all of the following criteria:

- ❖ The school's official cohort default rate calculation must include new and/or disputed data.
- ❖ The school must be subject to official cohort default rate sanctions or, in some cases, provisional certification.
- ❖ The school's successful erroneous data appeal, either by itself or in combination with an uncorrected data adjustment, a new data adjustment, or a loan servicing appeal, will result in a recalculated official cohort default rate below the sanction threshold.
- ❖ The school must not have previously submitted an erroneous data appeal for the official cohort default rate in question.
- ❖ The school cannot appeal an official cohort default rate if a previous sanction was based entirely, or partially, on that official cohort default rate.

If a school is not subject to sanction, the school might be eligible to submit an uncorrected data adjustment or a new data adjustment. For more information on uncorrected data adjustments, see Chapter 4.3, "Uncorrected Data Adjustment." For more information on new data adjustments, see Chapter 4.4, "New Data Adjustment."

In certain circumstances, a school that is subject to provisional certification is also eligible to submit an erroneous data appeal. See the section of this chapter entitled "How does provisional certification affect a school's ability to submit an erroneous data appeal?" for additional information.

Which cohort default rates may a school appeal?

A school may submit an erroneous data appeal for any of the official cohort default rates upon which its sanction is based as long as the school has not previously appealed that official cohort default rate or previously been subject to sanction based on that official cohort default rate.

What benefit will a school gain from submitting an erroneous data appeal?

If, as a result of an erroneous data appeal (or as the result of a school's submission of any adjustment or appeal), the U.S. Department of Education's (the Department's) Default Management determines that a school's official cohort default calculation data is incorrect, Default Management will manually recalculate the official cohort default rate using the corrected data. This may lower, raise, or not affect the cohort default rate. If the school is subject to sanction and the official cohort default rate is lowered below the sanction level, the school is no longer subject to sanctions. In addition, a school that would otherwise be subject to sanctions in a later year may avoid being subject to sanctions.

However, even though Default Management may revise an official cohort default rate, subsequent copies of the loan record detail report for the official period will not reflect the change. Therefore, it is important for a school to keep a copy of Default Management's final determination letter as the official record of the school's revised official cohort default rate.

What roles do the Department and data managers have in a school's erroneous data appeal?

A data manager is required to review a school's erroneous data appeal allegations if the erroneous data appeal allegations are submitted in a timely manner and the data manager has responsibility for the loans. If a school submits erroneous data appeal allegations to the wrong entity, the erroneous data appeal allegations will not be reviewed and the school could miss the deadline. The guarantor/servicer code on the loan record detail report identifies the data manager for a loan. See Chapter 2.3, "Loan Record Detail Report," for information on determining the data manager for a loan.

The data manager must respond to the erroneous data appeal allegations within 20 calendar days of receipt. However, the data manager should not review erroneous data appeal allegations if school did not send the erroneous data appeal allegations within the 15 calendar day time frame. If the data manager does not respond within 20 calendar days, the school should advise Default Management in writing of the delay.

If a school's official cohort default rate is lowered below the sanction level, the school is no longer subject to sanctions

The Department's primary role is to review a school's erroneous data appeal, which is submitted after the school has received data manager responses for all of its erroneous data appeal allegations. The Department is also responsible for responding to a school's erroneous data appeal allegations if the Department is the data manager for the loans. The Department is the data manager for Federal Family Education Loans (FFELs) the Department holds and for all William D. Ford Federal Direct Loans (Direct Loans).

Default Management is responsible for responding to schools' erroneous data appeal allegations regarding FFELs that the Department holds. These loans are primarily identified in the loan record detail report with a guarantor/ servicer code of 555. See Chapter 2.3, "Loan Record Detail Report," for a listing of other codes that identify the Department as the holder of a loan.

The Department's Direct Loan servicer is responsible for responding to schools' erroneous data appeal allegations regarding all Direct Loans, even those that are in default. These loans are identified in the loan record detail report with a guarantor/servicer code of 0101.

What types of erroneous data appeal allegations may a school submit as a part of an erroneous data appeal?

Chapter 3.1, "Cohort Default Rate Strategies," contains examples of erroneous data appeal allegations a school may submit as a part of an erroneous data appeal and the sort of documentation a school should submit to support the erroneous data appeal allegations provided that the loans on which the erroneous data appeal allegations are based are considered new data or disputed data. The erroneous data appeal allegations listed in that section are common erroneous data appeal allegations; a school may submit an erroneous data appeal based on erroneous data appeal allegations not covered in that section.

To demonstrate that a record is considered new data, a school must include with its request a copy of the relevant page(s) from the loan record detail report from the draft period and the loan record detail report from the official period to show that the loan has been newly included, excluded, and/or changed in some manner between the calculation of the draft and official cohort default rates. To demonstrate that a loan record is considered disputed data, a school must provide a copy of the data manager response to the school's incorrect data challenge that addresses the loan in question.

Each new data adjustment allegation must be accompanied by at least one page of a loan record detail report. The school should include the page where the borrower appears or where the borrower should have appeared if the borrower is incorrectly omitted. If the borrower is being moved from one cohort default period to another, the school should include the page of the loan record detail report where the borrower currently appears and the page of the loan record detail report where the borrower should appear. The school should provide both pages of the loan record detail report if the borrower belongs at the end of one page or at the beginning of the next page.

A school must provide documentation showing that the loan record is considered new data or disputed data as part of its erroneous data appeal. Relevant supporting documentation for any of these erroneous data appeal allegations includes, but is not limited to, the following:

- ❖ a copy of a letter to the relevant data manager that informs the entity of the borrower's last date of attendance or less-than-half-time date and proof that the documentation was timely sent to the relevant data manager;
- ❖ a dated copy of a Student Status Confirmation Report (SSCR) sent to a relevant data manager that confirms the borrower's last date of attendance or less-than-half-time date and proof that the documentation was timely sent to the data manager;
- ❖ a screen print from the SSCR function within NSLDS that confirms the borrower's last date of attendance or less-than-half-time date was timely recorded within NSLDS; or
- ❖ a copy of a cancelled check, front and back, or other documentation showing that the borrower's loan was cancelled and fully refunded within 120 days of disbursement by the lender.

If the data a school submits as a part of an erroneous data appeal was never originally submitted to the relevant data manager or NSLDS, or if the data was not submitted in a timely manner, the data manager should respond that the issue in question was determined based on the best information available at the time and that as a result, no change is warranted for cohort default rate purposes. To be considered timely, the school must have submitted the data to the data manager within two months of the event it concerns.

A school must provide documentation showing that the loan record is considered new data or disputed data

How does a school submit erroneous data appeal allegations to a data manager?

Timing is critical when submitting an erroneous data appeal. A school begins the process by sending its erroneous data appeal allegations to the data manager responsible for a loan within 15 calendar days of receiving the official default rate notification letter.

Upon receiving the loan record detail report for the official period, a school should compare the loan record detail report for the draft period to the loan record detail report for the official period to determine if any loan data has changed between the reports and, if so, whether the changes result in the loan being reported incorrectly. The school should also determine if the report contains any disputed data. If either situation occurs, the school should submit erroneous data appeal allegations to the data manager for the loan.

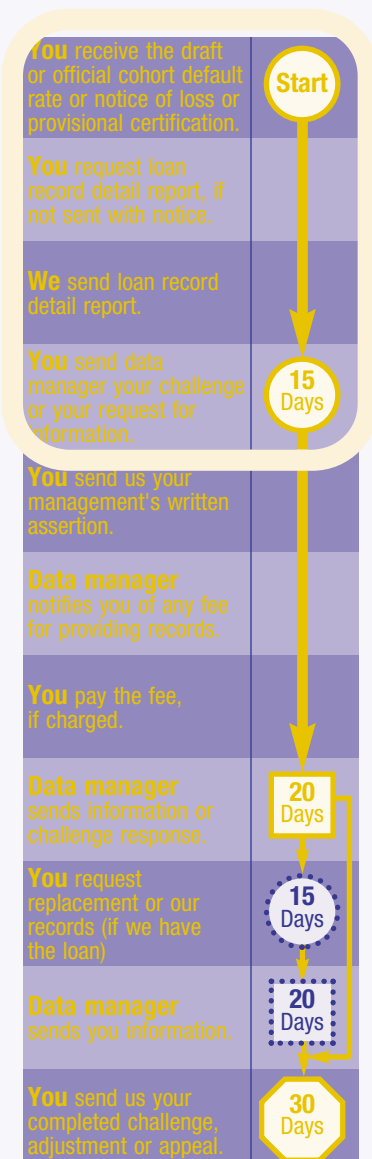
A school must prepare separate materials for each data manager for which the school alleges erroneous data. The materials must include the following items:

- ❖ A spreadsheet that lists the erroneous data.

Figure 4.5.2 is a sample school erroneous data appeal allegation spreadsheet to a data manager. See the blank spreadsheet and the instructions for creating and completing the spreadsheet in the “Incorrect Data Challenge, New Data Adjustment, and Erroneous Data Appeal Tools” section of Chapter 4.11, “Challenge, Adjustment, and Appeal Tools.” A school may photocopy and use the blank spreadsheet when submitting erroneous data appeal allegations or create its own spreadsheet using the layout provided.

- ❖ Copies of the appropriate pages from the relevant loan record detail report(s) to demonstrate that the loans are new data or disputed data. As mentioned, the new data must also be incorrect data.

To demonstrate that a record is considered new data, a school must include with its request a copy of the relevant page(s) from the loan record detail report from the draft period and the loan record detail report from the official period to show that the loan has been newly included, excluded, and/or changed in some manner between the calculation of the draft and official cohort default rates.



Data Manager Name: State Guaranty Agency
 Data Manager Code: 111
 School Name: Graphic Tech
 OPE ID: 999999
 Number of Borrowers: 2
 Number of Loans: 2

FY 2003 School Erroneous Data Appeal Allegation Spreadsheet

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Borrower's SSN	Borrower's Name	Type of Loans	Number of Loans	Basis of Alleged Error	Earlier of LDA or LTH	Date Entered Repayment	CPD, DD, ICRD, or N/A	FY(s)	Effect on Calculation	Agree/Disagree	Comments	Data Manager Code
2	111-11-1111	Connell, Anissa	SF	1	New	02/11/2003	08/12/2003	N/A	FY03	+ D		Borrower's last date of attendance was February 11, 2003; therefore borrower should be included in this year's calculation.	111
3	222-22-2222	Mackey, Caleb	SF	1	Disputed	07/15/2002	01/16/2003	N/A	FY03	- N		Documentation was sent showing that borrower passed away. We then received notice that loan was discharged.	111
4													
5													

Date 10/12/2005

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Each erroneous data appeal allegation must be accompanied by at least one page of a loan record detail report. The school should include the page where the borrower appears or where the borrower should have appeared if the borrower is incorrectly omitted. If the borrower is being moved from one cohort default period to another, the school should include the page of the loan record detail report where the borrower currently appears and the page of the loan record detail report where the borrower should appear. The school should provide both pages of the loan record detail report if the borrower belongs at the end of one page or at the beginning of the next page.

❖ Relevant supporting documentation.

Chapter 3.1, "Cohort Default Rate Strategies," contains examples of erroneous data appeal allegations a school may submit as a part of an erroneous data appeal and the sort of documentation a school should submit to support the erroneous data appeal allegations.

Figure 4.5.2

Sample School
Erroneous Data Appeal
Allegations Spreadsheet
to Data Management

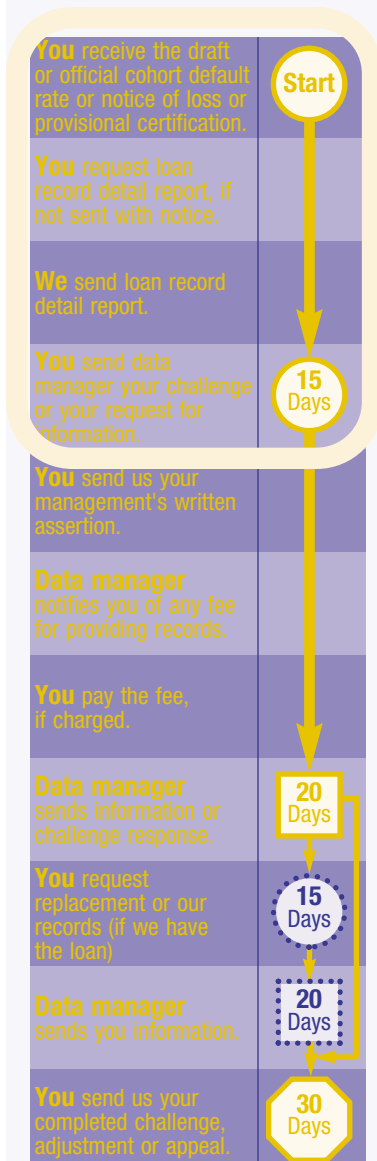
- ❖ A letter on the school's letterhead.

The letter should include the school's OPE ID number, a statement indicating that the school is submitting erroneous data appeal allegations, and the fiscal years and the cohort default rates to which the erroneous data appeal allegations apply. The letter should feature a subject line that reads "Subject: FY [insert fiscal year being used in the appeal] Erroneous Data Appeal Allegations." The letter should also include a certification sentence that the information provided is true and correct under penalty of perjury, a list of the other adjustments or appeals the school intends to submit to Default Management, and a notation that the school is sending a copy of the letter and the spreadsheet to Default Management. The school's President/CEO/Owner should sign the letter, and the signature should be followed by a signature block showing the signer's name and job title. Figure 4.5.3 is a sample school erroneous data appeal allegations letter to a data manager.

If a school is submitting erroneous data appeal allegations for multiple official cohort default rates, it should submit all the erroneous data appeal allegations in the same mailing to the data manager. However, the school still needs to submit separate documentation for each erroneous data appeal.

The school must send a copy of the letter and the erroneous data appeal allegations spreadsheet to Default Management at the same time it sends the complete erroneous data appeal allegations package to the data manager. The school does not need to send the pages of the loan record detail reports or the relevant supporting documentation to Default Management at this time unless the school is making allegations about a FFEL that the Department holds.

Default Management recommends that a school send all erroneous data appeal allegations correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its submission. A school should maintain the documentation which verifies the receipt of the materials as well as all documentation submitted as a part of the erroneous data appeal process. If a school does not meet the 15 calendar day time frame for submitting erroneous data appeal allegations, the erroneous data appeal allegations will not be reviewed.



**Figure 4.5.3 - Sample School Erroneous Data Appeal
Allegation Letter to Data Manager****GRAPHICTECH**

Graphic Tech
9765 Arts Lane
Coral City, Iowa 12345-9765
1-987-654-3210

October 12, 2005

ATTN: Lesa Neiers
Compliance Officer
State Guaranty Agency
132 Ocean Front Road
Black Diamond Bay, Nebraska 13213-0132

OPEID#999999

Subject: FY 2003 Erroneous Data Appeal Allegations

Dear Ms. Neiers:

Graphic Tech, OPE ID#999999, is submitting a list of erroneous data appeal allegations for FY 2003 for review by State Guaranty Agency. Please see the enclosed spreadsheet, loan record detail reports for the draft and official periods, and supporting documentation.

I, the undersigned, certify under penalty of perjury that all information submitted in support of this erroneous data appeal is true and correct.

Graphic Tech is also submitting a loan servicing appeal to the Department.

Thank you for your consideration.

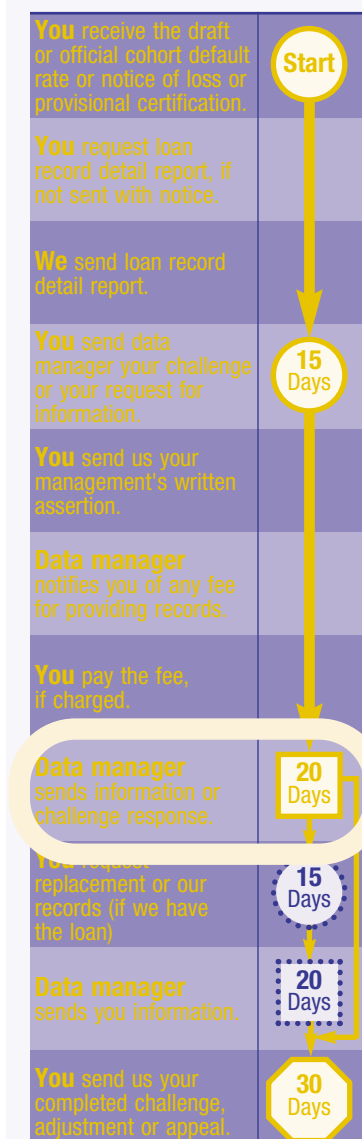
Sincerely,



Alexander Peachum
President, Graphic Tech

Enclosures

cc: U.S. Department of Education,
Default Management



How does a school identify the data manager of a loan?

The guarantor/servicer code on the loan record detail report shows the data manager responsible for a loan. A school can use this number to obtain the name and address of the data manager. See the "Numerical Data Manager Contacts" section in Chapter 2.4, "Loan Record Detail Report Tools," for a listing of data manager codes and addresses.

How does a data manager respond to a school's erroneous data appeal allegations?

The data manager should first determine if the school is eligible to submit an erroneous data appeal. As mentioned, in order to submit an erroneous data appeal, a school must meet the following criteria:

- ❖ The school's official cohort default rate calculation must include new and/or disputed data.
- ❖ The school must be subject to official cohort default rate sanctions or, in some cases, provisional certification.
- ❖ The school's successful erroneous data appeal, either by itself or in combination with an uncorrected data adjustment, a new data adjustment, or a loan servicing appeal, will result in a recalculated official cohort default rate below the sanction threshold.
- ❖ The school must not have previously submitted an erroneous data appeal for the official cohort default rate in question.
- ❖ The school cannot appeal an official cohort default rate if a previous sanction was based entirely, or partially, on that official cohort default rate.

A data manager is required to respond to a school's timely submitted erroneous data appeal allegations for those loans for which the entity is the data manager. However, the data manager should not respond to erroneous data appeal allegations if the 15 calendar day time frame for a school to submit erroneous data appeal allegations has expired.

The data manager must respond to timely erroneous data appeal allegations within 20 calendar days of receiving the erroneous data appeal allegations. In its erroneous data appeal allegations response, the data manager will address each of the school's erroneous data appeal allegations. If the data manager does not respond within 20 calendar days, the school should advise Default Management in writing of the delay.

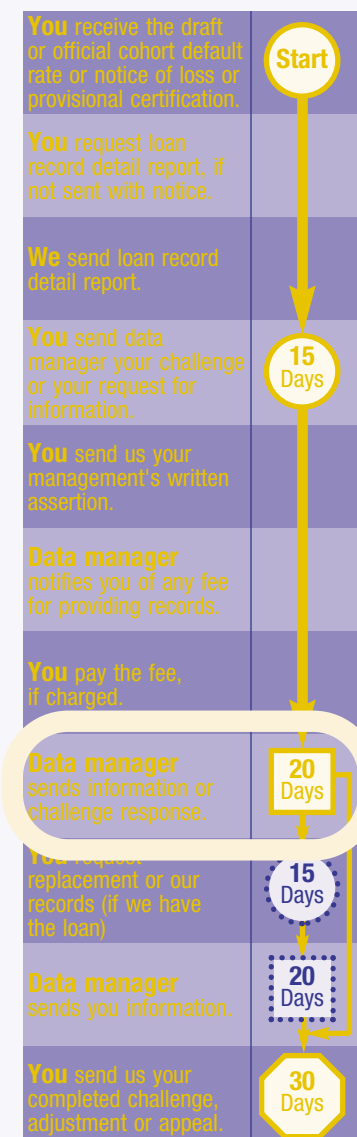
Within 20 calendar days of receiving the school's erroneous data appeal allegations, a data manager must determine if the school's submission is timely. The school must submit the erroneous data appeal allegations within 15 calendar days of receiving the official cohort default rate notification letter. If the school's due date falls on a weekend or a federal holiday, a school may send its erroneous data appeal allegations to the data manager no later than the next federal business day.

Before denying a school's erroneous data appeal allegations on the basis of a late submission, a data manager should verify the actual date the school received its loan record detail report for the official period from Default Management. If the school did not submit the erroneous data appeal allegations within 15 calendar days, the data manager should not review any part of the submission. In its response to the school, the data manager should explain that it is unable to review the erroneous data appeal allegations because the school missed the regulatory deadline. The data manager should also send a copy of the response to Default Management.

If the school is eligible and the submission is timely, the data manager must review each of the school's allegations of erroneous data. The data manager should determine the following:

- ❖ The data manager should determine if the erroneous data appeal allegations presented by the school are based on loans that the data manager currently holds.

If the data manager does not hold the loans, the data manager should notify the school that the erroneous data appeal allegations should be submitted to the appropriate data manager and remind the school that the erroneous data appeal allegations must be submitted to the appropriate data manager within 15 calendar days of the school's receipt of its loan record detail report for the official period.



There will be some instances where the data manager was the former holder of the loans, and the loans have defaulted and been assigned to the Department, but the loan record detail report for the official period does not yet reflect the assignment. In that event, the data manager should send the school a notice stating that the loans have been assigned to the Department. The school then 15 days after receipt of the letter from the data manager to submit the new data adjustment allegations to the Department.

- ❖ The data manager should determine if all relevant material is present.

If a school fails to provide the data manager with all the necessary information, the data manager may ask the school to submit the missing information. However, the school must submit this additional information to the data manager within the initial 15 calendar day deadline for submitting erroneous data appeal allegations. If the school does not submit the additional information within the initial 15 calendar day deadline, the data manager should not review the erroneous data appeal allegations.

- ❖ The data manager should determine if its documentation supports or refutes the school's erroneous data appeal allegation.

The data manager should make a determination on each erroneous data appeal allegation listed on the school's spreadsheet. The data manager should agree with the school if the data manager's documentation supports the school's claim or if the school has demonstrated that the data manager has failed to take into account correct information the school timely sent to the data manager or NSLDS.

The data manager should disagree with the school if the data manager's documentation refutes the school's claim or the school failed to demonstrate that the correct information was timely submitted to the data manager or NSLDS. The data manager should notify the school why it disagrees with the school and send the school a copy of the data manager's supporting documentation. The data manager should send a copy of the erroneous data appeal allegations response and the supporting documentation to Default Management.

After making its determinations, the data manager should compile a list of the data manager's responses to the school's erroneous data appeal allegations. The data manager should record the responses to each of the school's alleged errors on an erroneous data appeal allegations response spreadsheet and provide comments on why the data manager agrees or disagrees with each of the school's erroneous data appeal allegations. In addition, the data manager should provide supporting documentation if the data manager disagrees with the school's erroneous data appeal allegations. If the data manager's response indicates that a loan has been repurchased, the data manager should provide the original claim paid date, the repurchase date, the reason the loan was repurchased, and the default date if any subsequent claim was filed.

The data manager's erroneous data appeal allegations response should include the following:

- ❖ A list, in spreadsheet format, of the data manager's responses to the school's allegations.

Figure 4.5.4 is a sample data manager erroneous data appeal allegation response spreadsheet to a school. See the blank

Figure 4.5.4

Sample Data Manager
Erroneous Data Appeal
Allegation Response
Spreadsheet to School

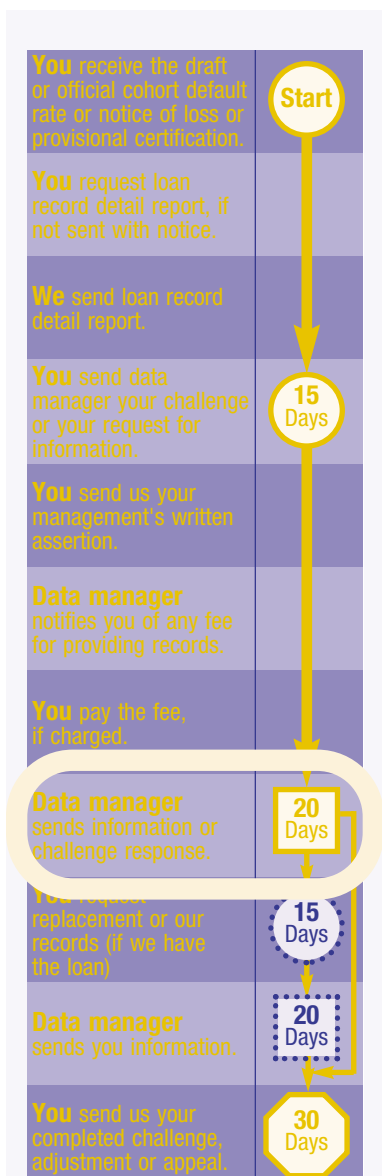
Data Manager Name: State Guaranty Agency
Data Manager Code: 111
School Name: Graphic Tech
OPE ID: 999999
Number of Borrowers: 2
Number of Loans: 2

FY 2003 Data Manager Erroneous Data Appeal Allegations Response Spreadsheet

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Borrower's SSN	Borrower's Name	Type of Loans	Number of Loans	Basis of Alleged Error	Earlier of LDA or LTH	Date Entered Repayment	CPD, DD, ICRD, or N/A	FY(s)	Effect on Calculation	Agree/Disagree	Comments	Data Manager Code
2	111-11-1111	Connell, Anissa	SF	1	New	12/07/1998	06/23/1999	N/A	N/A	No Change	Disagree	Our records indicate that the school submitted a letter dated 02/04/1999 indicating that the borrower left school on 12/07/1998. Although school has SSCR showing borrower returned to school, school has no record of submitting SSCR. Please see the enclosed documentation.	111
3	222-22-2222	Mackey, Caleb	SF	1	Disputed	07/15/2002	01/16/2003	N/A	FY03	- N	Agree	Our records indicate that the school submitted a letter dated 07/12/2002 and a copy of Caleb's death certificate in a timely manner.	111
4													
5													

Date 10/30/2005

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spreadsheet and the instructions for creating and completing the spreadsheet in the "Incorrect Data Challenge, New Data Adjustment, and Erroneous Data Appeal Tools" section of Chapter 4.11, "Challenge, Adjustment, and Appeal Tools." A data manager may photocopy and use the blank spreadsheet or create its own spreadsheet using the layout provided. A data manager may also photocopy the erroneous data appeal allegation spreadsheet a school submits and complete the comment column.

- ❖ Copies of supporting documentation for each allegation with which the data manager disagreed.
- ❖ A letter on the data manager's letterhead with the school's name and OPE ID number.

The letter should indicate that the data manager is responding to the school's erroneous data appeal allegations and the cohort fiscal year to which the erroneous data appeal allegations response applies. The letter should feature a subject line that reads "Subject: FY [insert fiscal year being used in the appeal] Erroneous Data Appeal Allegations Response." The letter should also include a statement that a copy of the entire response has been sent to Default Management. The responsible data manager official should sign the letter, and the signature should be followed by a signature block showing the signer's name and job title. Figure 4.5.5 is a sample data manager erroneous data appeal allegations response letter to a school.

The data manager then sends its erroneous data appeal allegations response to the school and a copy of the erroneous data appeal allegations response to Default Management.

Figure 4.5.5 - Sample Data Manager Erroneous Data Appeal Allegation Reponse Letter to School



132 Ocean Front Road
Black Diamond Bay, Nebraska 13213-0132

October 30, 2005

Alexander Peachum
President
Graphic Tech
9765 Arts Lane
Coral City, Iowa 12345-9765

OPE ID#999999

Subject: FY 2003 Erroneous Data Appeal Allegations Response

Dear Mr. Peachum:

This is State Guaranty Agency's response to the FY 2003 erroneous data appeal allegations Graphic Tech, OPE ID#999999, submitted on October 12, 2005. Please see the enclosed spreadsheet. Also enclosed is documentation for those erroneous data appeal allegations with which we disagree.

Sincerely,

A handwritten signature in cursive script that reads "Yvonne Carter".

Yvonne Carter
CEO

Enclosures

cc: U.S. Department of Education
Default Management

Which Department addresses should a data manager use for submitting the complete copy of the data manager's erroneous data appeal allegations response?

The data manager should send the copy of the erroneous data appeal allegations response to Default Management via commercial courier or the U.S. Postal Service. Default Management will not accept any erroneous data appeal allegations correspondence by facsimile (fax) or e-mail. If sent by commercial overnight mail/courier delivery, the address is

U.S. Department of Education
Default Management
ATTN: Data Manager Erroneous Data Appeal Allegations Response
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024

If sent by U.S. Postal Service, the address is

U.S. Department of Education
Default Management
ATTN: Data Manager Erroneous Data Appeal Allegations Response
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

A data manager should not send erroneous data appeal materials to any other addresses at the Department.

Default Management recommends that a data manager send all erroneous data appeal correspondence to a school or to Default Manager via return receipt requested or via overnight courier delivery. A data manager should maintain the documentation that verifies the receipt of the erroneous data appeal correspondence as well as all documentation submitted as a part of the erroneous data appeal process. The data manager can use this information when submitting monthly status reports to Default Management. For additional information on monthly status reports, see Chapter 3.3, "Monthly Status Reports."

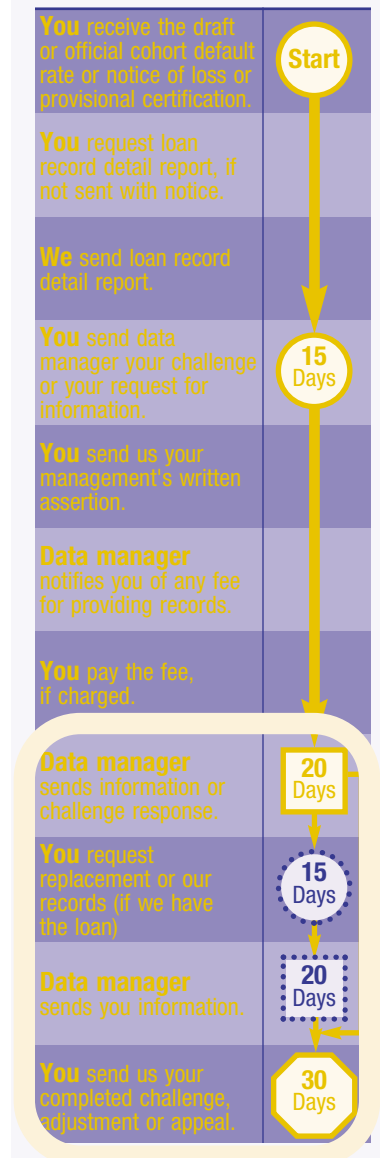
What does a school do with the data manager's erroneous data appeal allegations response?

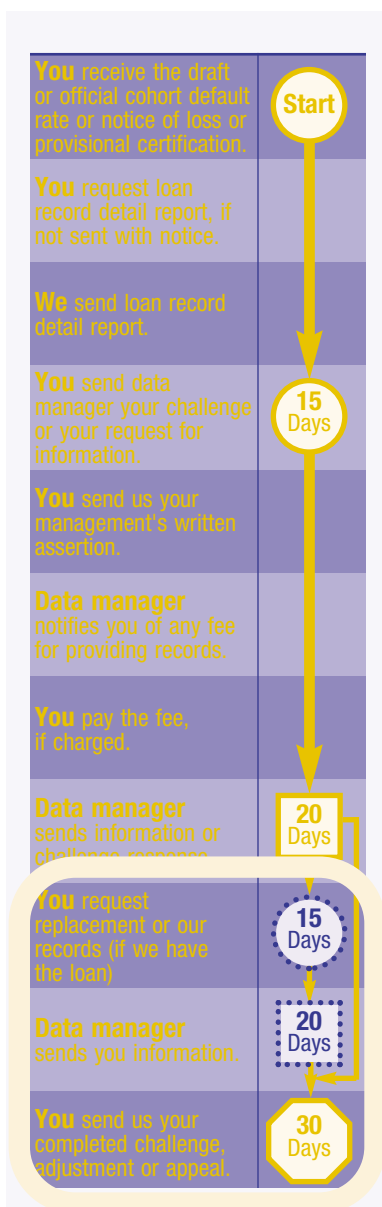
The data manager must respond to a school's erroneous data appeal allegations within 20 calendar days of receiving the submission. If the data manager disagrees with a school's erroneous data appeal allegations, it should provide documentation to support its decision.

A school can submit a request to the data manager for a clarification of the erroneous data appeal allegations response. A school can also submit a request to the data manager for missing records and/or the replacement of illegible records. A school must submit such a request to the data manager within 15 calendar days of the receipt of the erroneous data appeal allegations response. The school should also send a copy of the inquiry letter to Default Management. The data manager should respond to the school's inquiry within 20 calendar days of receiving the inquiry and send a copy of the response to Default Management.

Within 30 calendar days of receiving the last response to all of the school's erroneous data appeal allegations, the school must decide how to proceed and prepare a response to Default Management accordingly. The school should do one of three things:

- ❖ If the data manager's erroneous data appeal allegations response indicates that there is erroneous data in the school's official cohort default calculation, the school should submit an erroneous data appeal to Default Management. Only the Department can make the recommended changes to the school's official cohort default rate.
- ❖ If the data manager's erroneous data appeal allegations response indicates that there is no erroneous data in the school's official cohort default calculation and the school agrees with the data manager's erroneous data appeal allegations response, the school should notify Default Management that the school is withdrawing the erroneous data appeal.
- ❖ If the data manager's erroneous data appeal allegations response indicates that there is no erroneous data in the school's official cohort default calculation and the school disagrees with the data manager's erroneous data appeal allegations response, the school should submit an erroneous data appeal to Default Management.





No matter what course of action the school chooses to follow, it must contact Default Management with its decision within 30 calendar days of receiving the last response to the school's erroneous data appeal allegations with the following exception: If the school is submitting the erroneous data appeal to Default Management along with a timely new data adjustment or a timely loan servicing appeal, the school may submit all materials by the later of

- ❖ within 30 calendar days of receipt of the last response to all of the school's new data adjustment allegations,
- ❖ within 30 calendar days of receipt of the last response to all of the school's erroneous data appeal allegations, or
- ❖ within 30 calendar days of receipt of the last response to all of the school's requests for loan servicing records.

If the school does not submit the erroneous data appeal in a timely manner, Default Management will not review the erroneous data appeal and will return all erroneous data appeal materials to the school. If a school is submitting an erroneous data appeal for multiple official cohort default rates, it should submit all the erroneous data appeals in the same mailing to Default Management. However, the school still needs to submit separate documentation for each erroneous data appeal.

The school must submit to Default Management the following:

- ❖ A spreadsheet that lists the erroneous data appeal allegations.

Figure 4.5.6 is a sample school erroneous data appeal spreadsheet to Default Management. See the blank spreadsheet and the instructions for creating and completing the spreadsheet in the "Incorrect Data Challenge, New Data Adjustment, and Erroneous Data Appeal Tools" section of Chapter 4.11, "Challenge, Adjustment, and Appeal Tools." A school may photocopy and use the blank spreadsheet when submitting an erroneous data appeal or create its own spreadsheet using the layout provided.

Data Manager Name: State Guaranty Agency
 Data Manager Code: 111
 School Name: Graphic Tech
 OPE ID: 999999
 Number of Borrowers: 2
 Number of Loans: 2

FY 2003 School Erroneous Data Appeal Spreadsheet

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Borrower's SSN	Borrower's Name	Type of Loans	Number of Loans	Basis of Alleged Error	Earlier of LDA or LTH	Date Entered Repayment	CPD, DD, ICRD, or N/A	FY(s)	Effect on Calculation	Agree/Disagree	Comments	Data Manager Code
2	111-11-1111	Connell, Anissa	SF	1	New	02/11/2003	08/12/2003	N/A	FY03	+ D		Borrower's last date of attendance was February 11, 2003; therefore borrower should be included in this year's calculation. Data Manager disagreed and stated borrower's last date of attendance was December 7, 1998.	111
3	222-22-2222	Mackey, Caleb	SF	1	Disputed	07/15/2002	01/16/2003	N/A	FY03	- N		Documentation was sent showing that borrower passed away. We then received notice that loan was discharged. Data Manager agreed.	111
4													
5													

Date 11/13/2005

Page 1 of 1

❖ Relevant supporting documentation.

Chapter 3.1, "Cohort Default Rate Strategies," contains examples of erroneous data appeal allegations a school may submit as a part of an erroneous data appeal and the sort of documentation a school should submit to support the erroneous data appeal allegations.

❖ Copies of the data manager erroneous data appeal allegation responses.

❖ A letter on the school's letterhead.

The letter should include the school's OPE ID number, a statement indicating that the school is submitting an erroneous data appeal, and a reference to the applicable cohort default rates to which the appeal applies. The letter should feature a subject line that reads "Subject: FY [insert fiscal year being used in the appeal] Erroneous Data Appeal." The letter should also include a certification that the information provided is true and correct under penalty of perjury and a list of the other adjustments and appeals the school intends to submit to Default Management. Finally, there should be a notation that the school is sending a copy of the letter and the spreadsheet to the data manager(s).

Figure 4.5.6

Sample School Erroneous Data Appeal Spreadsheet to Default Management

The school's President/CEO/Owner should sign the letter, and the signature should be followed by a signature block showing the signer's name and job title. Figure 4.5.7 is a sample school erroneous data appeal letter to Default Management.

If the school does not submit the erroneous data appeal in a timely manner, Default Management will not review the erroneous data appeal and will return all erroneous data appeal materials to the school.

Which Department addresses should a school use for submitting an erroneous data appeal?

The school must send the erroneous data appeal to Default Management via commercial courier or the U.S. Postal Service. Default Management will not accept erroneous data appeal correspondence by facsimile (fax) or e-mail. If sent by commercial overnight mail/courier delivery, the address is

U.S. Department of Education
Default Management
ATTN: Erroneous Data Appeal
Portals Building, Room 6300
1250 Maryland Avenue, SW
Washington, DC 20024

If sent by U.S. Postal Service, the address is

U.S. Department of Education
Default Management
ATTN: Erroneous Data Appeal
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

A school should not send erroneous data appeal materials to any other addresses at the Department.

Default Management recommends that a school send all erroneous data appeal correspondence return receipt requested or via commercial overnight mail/courier delivery. This will be useful to a school if it is asked to authenticate the timeliness of its erroneous data appeal. A school should maintain the documentation which verifies the receipt of the erroneous data appeal as well as all documentation submitted as a part of the erroneous data appeal process. If a school does not meet the time frame for submitting an erroneous data appeal, the erroneous data appeal will not be reviewed.

**Figure 4.5.7 - Sample School Erroneous Data
Appeal Letter to Default Management****GRAPHICTECH**

Graphic Tech
9765 Arts Lane
Coral City, Iowa 12345-9765
1-987-654-3210

November 13, 2005

U.S. Department of Education
Default Management
ATTN: Erroneous Data Appeal
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353

OPE ID#999999

Subject: FY 2003 Erroneous Data Appeal

To Whom It May Concern:

Graphic Tech, OPE ID#999999, wishes to submit an erroneous data appeal to its FY 2003 official cohort default rate. Please see the enclosed spreadsheet, loan record detail reports for the draft and official periods, and supporting documentation. Also enclosed are copies of the data manager erroneous data appeal allegation responses and the data manager incorrect data challenge responses.

I, the undersigned, certify under penalty of perjury that all information submitted in support of this erroneous data appeal is true and correct.

Graphic Tech is also submitting a loan servicing appeal to the Department.

Thank you for your consideration.

Sincerely,



Alexander Peachum
President, Graphic Tech

Enclosures

cc: State Guaranty Agency

What happens after the school submits the erroneous data appeal?

Default Management will review only the information submitted with the erroneous data appeal and will not review information submitted after the deadline. Default Management will send the school and each involved data manager written notification of Default Management's decision. Default Management's decision is final and no further administrative review is provided.

If Default Management determines, using the standard of review described in 34 CFR 668.189(f), that a school's official cohort default calculation data is incorrect, Default Management will correct the erroneous data and recalculate the official cohort default rate using the corrected data.

If the school was notified that it was subject to sanction and the erroneous data appeal is successful and the revised official cohort default rate is below the sanction level, Default Management will withdraw the sanction notice. If the school was notified that it was subject to sanction and the erroneous data appeal is unsuccessful and the school has no other outstanding adjustments or appeals (or if the erroneous data appeal is successful but the revised rate is remains above the sanction level), Default Management will notify the school of the effective date of the sanctions.

If a school that is subject to loss of eligibility to participate in the FFEL and/or Direct Loan programs loses a cohort default rate adjustment or appeal, the school will be liable for certain costs associated with any FFELs the school certifies and/or any Direct Loans the school originates during a specified liability period. The liability period begins 30 calendar days after the school receives notice that it is subject to loss of eligibility and ends upon the earlier of

- ❖ the withdrawal of the adjustment or appeal,
- ❖ the resolution of the adjustment or appeal, or
- ❖ the 45th calendar day after the date the school submitted the adjustment or appeal to Default Management for review.

A school may avoid a liability associated with an unsuccessful cohort default rate adjustment or appeal if the school chooses not to certify and/or originate loans during the liability period.

How does provisional certification affect a school's ability to submit an erroneous data appeal?

To participate in the Department's Student Financial Aid (SFA) programs, a school must demonstrate that it is capable of adequately administering those programs under the standards provided in the SFA program regulations. In order to demonstrate administrative capability, a school must meet several requirements, including the requirement that the school's cohort default rate is less than 25 percent for the most recent fiscal years. If the school is not administratively capable solely because of its official cohort default rate, the Department may provisionally certify the school.

A school that is provisionally certified solely due to its cohort default rates can submit an erroneous data appeal. If the erroneous data appeal is successful, Default Management will recalculate the school's cohort default rate using the corrected data. If as a result of the recalculation the school's three most recent cohort default rates are all less than 25 percent, the Department will withdraw the provisional certification.

A school must wait until it receives notice of provisional certification to submit an erroneous data appeal outside of the regular appeal process. A school should not submit an erroneous data appeal solely because it believes it may be subject to provisional certification in the future. If a school does submit an erroneous data appeal without first receiving notice, the erroneous data appeal will not be reviewed.

The process for submitting an erroneous data appeal for schools that receive a notice of provisional certification is the same as it is for those schools appealing at the time of the release of the official cohort default rates except for the following differences:

- ❖ Schools subject to provisional certification are notified by the school's case management team, not Default Management. The case management team will notify Default Management of the provisional certification.
- ❖ The school will not automatically receive a loan record detail report with the notice of provisional certification. As a result, a school subject to provisional certification that wishes to submit an erroneous data appeal must request a copy of the school's loan record detail report within 15 days of receipt of the notice of provisional certification. See Chapter 2.3, "Loan Record Detail Report," for information on requesting a loan record detail report. The time frames for submitting the appeal based upon provisional certification are based first upon the date the school

A school that is provisionally certified solely due to its cohort default rates can submit an erroneous data appeal

receives the notice of provisional certification and then upon the date the school receives the loan record detail report.

Within 15 days of receiving the loan record detail report, the school must send its erroneous data appeal allegations to each relevant data manager. See the section of this chapter entitled “How does a school submit an erroneous data appeal?” for the process for submitting the erroneous data appeal allegations to a data manager.

Within 20 calendar days after receiving the school’s erroneous data appeal allegations, the data manager must send a response to the school. See the section of this chapter entitled “How does a data manager respond to a school’s erroneous data appeal allegations?” for additional information about responding to a school’s erroneous data appeal allegations.

Upon receipt of the school’s erroneous data appeal allegations, the data manager should contact Default Management to obtain the date that the school received its notice of provisional certification and its loan record detail report in order to verify the timeliness of the school’s submission. If the submission is not timely, or if the school has not received a notice of provisional certification, the data manager should not review any portion of the school’s erroneous data appeal allegations. The data manager should send the school a letter explaining why the erroneous data appeal allegations are not being reviewed and send a copy of the letter to Default Management.

Within 30 calendar days of the school’s receipt of the last response to its erroneous data appeal allegations, the school must submit its erroneous data appeal to Default Management. If the school is submitting an erroneous data appeal for more than one cohort fiscal year, it should send the appeals to the Department in one mailing. However, the school still needs to submit separate documentation for each erroneous data appeal. See the section of this chapter entitled “What does a school do with the data manager’s response?” for additional information on submitting an erroneous data appeal to Default Management.

If the erroneous data appeal is successful and the cohort default rate is recalculated below 25 percent, Default Management will notify the school of the change in the cohort default rate. The school’s case management team will notify the school by letter of either the school’s continuing provisional certification status or its new fully certified status.